

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

Auditor: SUZANNE M. BUMP | KATE FITZPATRICK | JOHN B. LANGAN | JAMES M. MACHADO | ROBERT B. MCCARTHY

## MEMORANDUM

TO: Northbridge Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: December 12, 2014

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY15 (since the amount under the prior schedule was maintained in FY15) and is acceptable under Chapter 32.

Although we are approving this schedule, we would have preferred a schedule be adopted that more aggressively amortizes the unfunded actuarial liability. For the past year, we have been recommending that systems determine schedules to be fully funded by FY35. This provides more flexibility in the event of a market downturn.

If you have any questions, please contact PERAC's Actuary, Jim Lamenza, at (617) 666-4446, extension 921.

Enc.



# NORTHERIDGE RETIREMENT SYSTEM

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution
2016	462,533	15,081,053	962,663	46,181	1,471,377
2017	482,191	15,247,862	1,001,169	46,181	1,529,541
2018	502,684	15,386,427	1,041,216	46,181	1,590,081
2019	524,048	15,492,828	1,082,865	46,181	1,653,094
2020	546,320	15,562,760	1,126,180	46,181	1,718,680
2021	569,538	15,591,507	1,171,227	46,181	1,786,946
2022	593,744	15,573,903	1,218,076	46,181	1,858,001
2023	618,978	15,504,293	1,266,799	46,181	1,931,958
2024	645,284	15,376,494	1,317,471	46,181	2,008,936
2025	672,709	15,183,745	1,370,170	46,181	2,089,060
2026	701,299	14,918,662	1,424,976	46,181	2,172,457
2027	731,104	14,573,180	1,481,975	46,181	2,259,261
2028	762,176	14,138,501	1,541,254	46,181	2,349,612
2029	794,569	13,605,026	1,602,905	46,181	2,443,654
2030	828,338	12,962,292	1,667,021	46,181	2,541,540
2031	863,542	12,198,893	1,733,702	46,181	2,643,425
2032	900,243	11,302,406	1,803,050	46,181	2,749,474
2033	938,503	10,259,305	1,875,172	46,181	2,859,856
2034	978,390	9,054,864	1,950,179	46,181	2,974,749
2035	1,019,971	7,673,060	2,028,186	46,181	3,094,338
2036	1,063,320	6,096,465	2,109,313	46,181	3,218,814
2037	1,108,511	4,306,124	2,193,686	46,181	3,348,378
2038	1,155,623	2,281,433	2,281,433	46,181	3,483,237
2039	1,204,737	-	-	46,181	1,250,918

## Amortization of Unfunded Liability as of July 1, 2015

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2016	Fresh Start	962,663	4.00%	23	962,663	23

### Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established.

Type is the reason for the creation of the base. Examples are Gain/(Loss) or Fresh Start.

Original Amortization Amount is the annual amortization amount when the base was established.

Percentage Increasing is the percentage that the Original Amortization Amount increases per year.

Original # of Years is the number of years over which the base is being amortized.

Current Amortization Amount is the amortization payment amount for this year.

Years Remaining is the number of years left to amortize the base.

Fiscal Years 2018 and 2020 deferred actuarial asset gains:

2018 : \$906,624

2020 : \$395,066